

Division of Behavioral Health Services

Bureau of Compliance

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TO: RBHA CEOs, Medical Directors and Grievance Coordinators

FROM: Margaret Russell
Bureau Chief of Policy

SUBJECT: **POLICY CLARIFICATION: Notice of Action**

DATE: April 11, 2007

This memorandum is intended to clarify the responsibilities of Regional Behavioral Health Authorities (RBHAs) in meeting the Arizona Department of Health Services/Division of Behavioral Health Services (ADHS/DBHS) policy requirements regarding the following policies:

- Provider Manual Section 5.1, Notice Requirements and Appeal Process for Title XIX/XXI Eligible Persons;
- Provider Manual Section 5.5, Notice and Appeal Requirements (SMI and General);
- Policy and Procedure Section GA 3.3, Title XIX/XXI Notice and Appeal Requirements; and
- Policy and Procedure Section GA 3.5, Notice and Appeal Requirements (SMI and General)

Provider Manual Section 5.1 and Policy and Procedure GA 3.3 require that a notice of action be sent for the denial, reduction, suspension or termination of services. Similarly, Provider Manual Section 5.5 and Policy and Procedure GA 3.5 require that a notice of action be sent to persons determined to have a serious mental illness only for Title XIX/XXI services (as indicated in PM 5.1 and GA 3.3). An action, as defined in these policies, pertains only to those services that require prior authorization. However, pending further notice from the Arizona Health Care Cost Containment System (AHCCCS) and ADHS/DBHS, the circumstances in which a notice of action is required will apply to any Title XIX/XXI covered service, regardless of whether that service is subject to prior authorization or not. This directive would not apply to situations in which a clinician, in the exercise of his/her clinical judgment denies a particular treatment modality for purely clinical reasons, rather than reasons related to obtaining authorization to ensure payment of the service.

Effective immediately, ADHS/DBHS is requiring that all RBHAs and their subcontracted providers modify their practice to reflect this interim policy directive. This policy is in effect until AHCCCS and ADHS/DBHS make a final determination concerning notice of action requirements. At such time, Provider Manual Section 5.1, Provider Manual Section 5.5, Policy and Procedure GA 3.3 and Policy and Procedure GA 3.5 will be revised to incorporate this final resolution.